GOVERNMENT OF INDIA
LAW , JUSTICE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:1959
ANSWERED ON:29.11.2001
COMPANIES NOT PAYING DIVIDEND TO THEIR SHAREHOLDERS
JAGMEET SINGH BRAR

Will the Minister of LAW , JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) Whether as per his apprehension 80% profit making companies do not pay dividend to their shareholders;

(b) If so, the steps being contemplated at the Government level to enforce compliance of payment of dividend to shareholders;

(c) The names of top 50 profit earning companies which have failed to pay dividend to the shareholders for continuous three years; and

(d) The action proposed to be taken against them?

Answer

MINISTER OF LAW, JUSTICE & AND COMPANY AFFAIRS (SHRI ARUN JAITELY)

(a) to (d): If any company fails to pay dividend after its declaration, the company and its directors can be prosecuted under section 205A and 207 of the Companies act, 1956 by the Department of Company Affairs, when it comes to the Department`s notice.